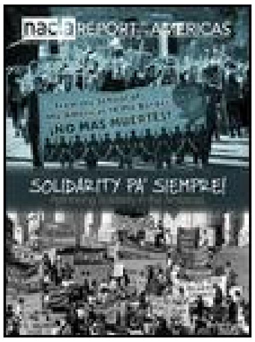

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Displaced People: NAFTA's Most Important Product

Salomon Sarita Sánchez and a crew of Mixtec immigrants from Oaxaca, Mexico, on a strawberry farm in Nipoma, California. Whereas California farmworkers 20 and 30 years ago came from Mexico's mostly Spanish-speaking populations, migrants today increasingly come from indigenous communities.

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By David Bacon

SINCE THE PASSAGE OF THE NORTH AMERICAN Free Trade Agreement (NAFTA) in 1993, the U.S. Congress has debated and passed several new bilateral trade agreements with Peru, Jordan and Chile, as well as the Central American Free Trade Agreement. Congressional debates over immigration policy have proceeded as though those trade agreements bore no relationship to the waves of displaced people migrating to the United States, looking for work. As Rufino Domínguez, former coordinator of the Indigenous Front of Binational Organizations (FIOB), points out, U.S. trade and immigration policy are part of a single system, and the negotiation of NAFTA was an important step in developing this system. "There are no jobs" in Mexico, he says, "and NAFTA drove the price of corn so low that it's not economically possible to plant a crop anymore. We come to the United States to work because there's no alternative."

Economic crises provoked by NAFTA and other economic reforms are uprooting and displacing Mexicans in the country's most remote areas. While California farmworkers 20 and 30 years ago came from parts of Mexico with larger Spanish-speaking populations, migrants today increasingly come from indigenous communities in states like Oaxaca, Chiapas, and Guerrero. Domínguez says there are about 500,000 indigenous people from Oaxaca living in the United States, 300,000 in California alone.

Meanwhile, a rising tide of anti-immigrant sentiment has demonized those migrants, leading to measures to deny them jobs, rights, or any pretense of equality with people living in the communities around them. Solutions to these dilemmas—from adopting rational and humane immigration policies to reducing the fear and hostility toward migrants—must begin with an examination of the way U.S. policies have both produced migration and criminalized migrants.

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TRADE NEGOTIATIONS AND IMMIGRATION POLICY WERE formally joined together when Congress passed the Immigration Reform and Control Act (IRCA) in 1986. While most attention has focused on its provisions for amnesty and employer sanctions, few have noted an important provision of the law: the establishment of the Commission for the Study of International Migration and Cooperative Economic Development, to study the causes of immigration to the United States. The commission was inactive until 1988, but began holding hearings when the U.S. and Canadian governments signed a bilateral free trade agreement. After Mexican president Carlos Salinas de Gortari made it plain he favored a similar agreement with Mexico, the commission made a report to the first president George Bush and to Congress in 1990. It found, unsurprisingly, that the main motivation for coming north was economic.

To slow or halt this flow, it recommended "promoting greater economic integration between the migrant sending countries and the United States through free trade." It concluded that "the United States should expedite the development of a U.S.-Mexico free trade area and encourage its incorporation with Canada into a North American free trade area," while warning that "it takes many years—even generations—for sustained growth to achieve the desired effect."[1]

The negotiations that led to NAFTA started within months of the report. As Congress debated the treaty, Salinas toured the United States, telling audiences unhappy at high levels of immigration that passing NAFTA would reduce it by increasing employment in Mexico. Back home, Salinas and other treaty proponents made the same argument. NAFTA, they claimed, would set Mexico on a course to become a first-world nation. "We did become part of the first world," says Juan Manuel Sandoval, coordinator of the Permanent Seminar on Chicano and Border Studies at Mexico City's National Institute of Anthropology and History: "the backyard."

Contrary to NAFTA proponents' predictions, the treaty became an important source of pressure on Mexicans to migrate. It forced yellow corn grown by Mexican farmers without subsidies to compete in Mexico's own market with corn from huge U.S. producers, subsidized by the U.S. farm bill. Agricultural exports to Mexico grew at a meteoric rate during the NAFTA years, at a compound annual rate of 9.4%, according to the U.S. Department of Agriculture. By 2007, annual U.S. agricultural exports to Mexico stood at $12.7 billion.[2] In January and February 2008, huge demonstrations in Mexico sought to block the implementation of the agreement's final chapter, which lowered the tariff barriers on white corn and beans.

As a result of a growing crisis in agricultural production, by the 1980s Mexico had already become a corn importer, and according to Sandoval, large farmers switched to other crops when they couldn't compete with U.S. grain dumping. But NAFTA then prohibited price supports, without which hundreds of thousands of small farmers found it impossible to sell corn or other farm products for what it cost to produce them. The National Popular Subsistence Company (Conasupo), through which the government bought corn at subsidized prices, turned it into tortillas, and sold them in state-franchised grocery stores at subsidized low prices, was abolished. And when NAFTA pulled down customs barriers, large U.S. corporations dumped even more agricultural products on the Mexican market. Rural families went hungry when they couldn't find buyers for what they'd grown.

NAFTA was part of a process that began long before, in which economic reforms restructured the Mexican economy.

Mexico couldn't protect its own agriculture from the fluctuations of the world market. A global coffee glut in the 1990s plunged prices below the cost of production. A less entrapped government might have bought the crops of Veracruz farmers to keep them afloat, or provided subsidies for other crops. But once free market strictures were in place, prohibiting government intervention to help them, those farmers paid the price. Veracruz campesinos joined the stream of workers headed north.

Mexico's urban poor fared no better. Although a flood of cheap U.S. grain was supposed to make consumer prices fall, they in fact rose. With the end of the Conasupo stores and price controls, the price of tortillas more than doubled in the years following NAFTA's adoption. One company, Grupo Maseca, monopolized tortilla production, while Wal-Mart became Mexico's largest retailer.

Under Mexico's former national content laws, foreign automakers like Ford, Chrysler, General Motors, and Volkswagen were required to buy some of their components from Mexican producers. NAFTA, however, prohibited laws requiring foreign producers to use a certain percentage of local content in assembled products. Without this restraint, the auto giants began to supply their assembly lines with parts from their own subsidiaries, often manufactured in other countries. Mexican auto parts workers lost their jobs by the thousands.

NAFTA was part of a process that began long before, in which economic reforms restructured the Mexican economy. One major objective of those reforms was the privatization of the large state sector, which employed millions of workers. By the early 1990s the Mexican government had sold most of its mines to one company, Grupo México, owned by the wealthy Larrea family, along with a steel mill in Michoacán to the Villareal family, and its telephone company to the richest person in

Mexico, Carlos Slim. Former Mexico City mayor Carlos Hank drove the city's bus system deeply into debt, and then bought the lines in the 1990s at public auction.

Rich Mexicans weren't the only beneficiaries of privatization. U.S. companies were allowed to buy land and factories, eventually anywhere in Mexico, without Mexican partners. U.S.-based Union Pacific, in partnership with the Larreas, became the owner of the country's main north-south rail line and immediately discontinued virtually all passenger service, as railroad corporations had done in the United States. As the Larreas and Union Pacific moved to boost profits and cut labor costs, Mexican rail employment dropped precipitously.[3] The railroad union under leftist leaders Demetrio Vallejo and Valentín Campa had been so powerful that its strikes had strongly challenged the government in the 1950s. The two spent years in prison for their temerity. Facing privatization, railroad workers mounted a wildcat strike to try to save their jobs, but they lost and their union became a shadow of its former self in Mexican politics.

After NAFTA the privatization wave expanded. Mexico's ports were sold off, and companies like Stevedoring Services of America, Hutchinson, and TMM now operate the country's largest shipping terminals. As with the railroads, the impact on longshore wages and employment has been devastating. In 2006 spreading poverty, and the lack of a program to create jobs and raise living standards, ignited months of conflict in Oaxaca, in which strikes and demonstrations were met with repression by an unpopular government. Leoncio Vásquez, an activist with the FIOB in Fresno, California, says, "The lack of human rights itself is a factor contributing to migration from Oaxaca and Mexico, since it closes off our ability to call for any change."

In NAFTA's first year, 1994, the Mexican economy collapsed when the peso was devalued without warning in December. To avert the sell-off of short-term bonds and a flood of capital to the north, U.S. Treasury Secretary Robert Rubin engineered a $20 billion loan to Mexico, which was paid to bondholders, mostly U.S. banks. In return, Mexico had to pledge its oil revenue to pay off foreign debt, making the country's primary source of income unavailable for social needs, and foreign capital took control of the Mexican banking system.

As the Mexican economy, especially the border maquiladora industry, became increasingly tied to the U.S. market, Mexican workers lost jobs when the market for the output of those factories shrank during U.S. recessions. In 2000–01, many jobs were lost on the U.S.-Mexico border, and in the current recession, thousands more are being eliminated. There is no starker reminder of Mexico's dependency on the U.S. economy.

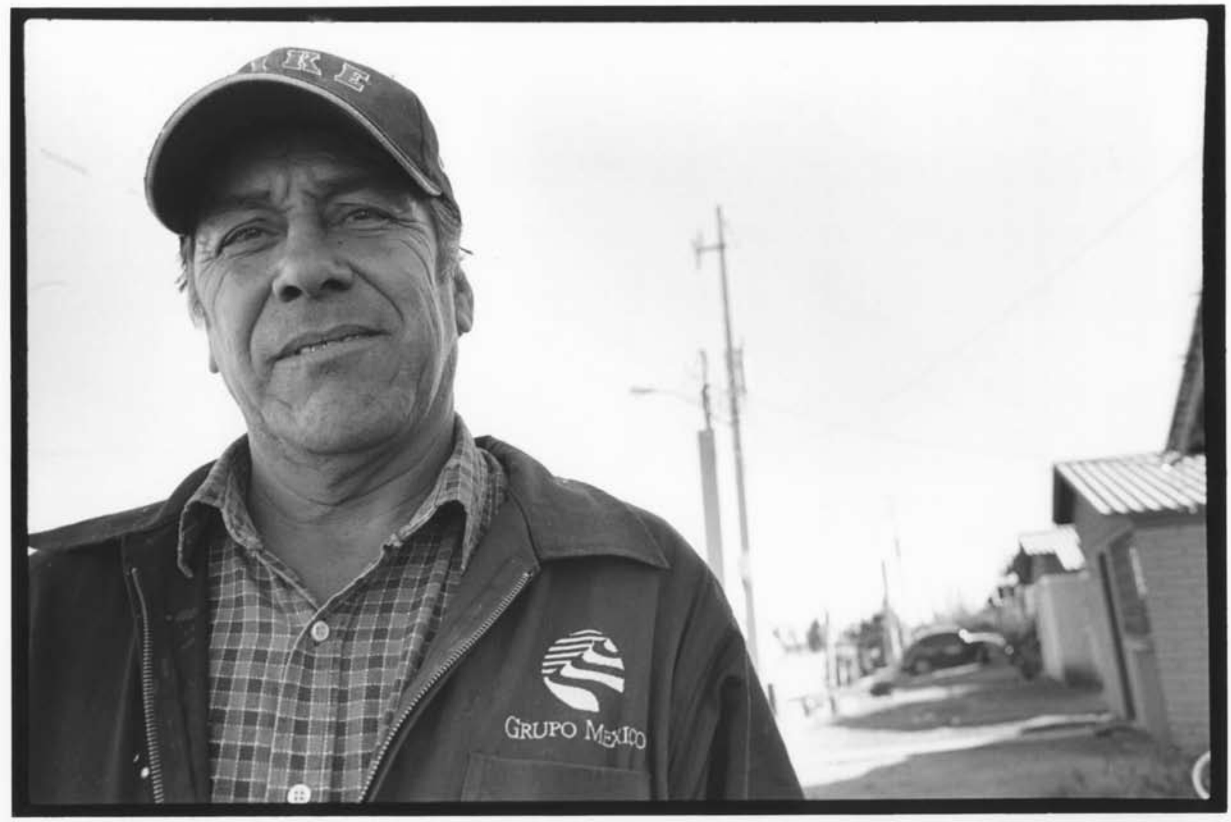
All of these policies produce displaced people who can no longer make a living or survive as they've done before. The rosy predictions of NAFTA's boosters that it would slow migration proved false. Between just 2000 and 2005, Mexico lost a million and a half jobs, mostly in the countryside. Since 1994, 6 million Mexicans have come to live in the United States. In just five years, from 2000 to 2005, the Mexican-born population living in the United States increased from 10 million to nearly 12 million.[4] With few green cards or permanent residence visas available for Mexicans, most of these migrants were undocumented.

People were migrating from Mexico to its northern neighbor long before NAFTA was negotiated. Juan Manuel Sandoval emphasizes that "Mexican labor has always been linked to the different stages of U.S. capitalist development since the 19th century—in times of prosperity, by the incorporation of large numbers of workers in agricultural, manufacturing, service, and other sectors, and in periods of economic crisis, by the deportation of Mexican laborers back to Mexico in huge numbers."

But from 1982 through the NAFTA era, successive economic reforms produced more migrants. Campesinos who lost their land found jobs as farmworkers in California. Laid-off railroad workers traveled north, as their forbears had during the early 1900s, when Mexican labor built much of the rail network through the U.S. southwest. The displacement of people had already grown so large by 1986 that the commission established by the IRCA was charged with recommending measures to halt or slow it.

Its report urged that "migrant-sending countries should encourage technological modernization by strengthening and assuring intellectual property protection and by removing existing impediments to investment" and recommended that "the United States should condition bilateral aid to sending countries on their taking the necessary steps toward structural adjustment. Similarly, U.S. support for non-project lending by the international financial institutions should be based on the implementation of satisfactory adjustment programs." The IRCA commission report even acknowledged the potential for harm, noting that "efforts should be made to ease transitional costs in human suffering."[5]

NAFTA, however, was not intended to relieve human suffering. "It is the financial crashes and the economic disasters that drive people to work for dollars in the U.S., to replace life savings, or just to earn enough to keep their family at home together," says Harvard historian John Womack. "The debt-induced crash in the 1980s, before NAFTA, drove people north." He adds that the financial



Mauro López, a 22-year veteran mechanic at the Cananea mine. He wears a jacket with the logo of the mine's private owner, Grupo México, which by the early 1990s owned most of the country's formerly nationalized mines.

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crash and the NAFTA reform engineered by Treasury Secretary Rubin, together with New York's financial expropriation of Mexican finances between 1995 and 2000, once again impelled economically wrecked, dispossessed, and impoverished people to migrate north.

Displacement is an unmentionable word in the Washington discourse. But not one immigration proposal in Congress in 2006 and 2007 tried to come to grips with the policies that uprooted miners, teachers, tree planters, and farmers, in spite of the fact that Congress members voted for these policies. In fact, while debating bills to criminalize undocumented migrants and set up huge guest-worker programs, four new trade agreements were introduced, each of which would cause more displacement and more migration.

Today, displacement and inequality are deeply ingrained in the free market economy. Mexican president Felipe Calderón said during a recent visit to California, "You have two economies. One economy is intensive in capital, which is the American economy. One economy is intensive in labor, which is the Mexican economy. We are two complementary economies, and that phenomenon is impossible to stop."[6] When Calderón says "intensive in labor," he means that millions of Mexican citizens are being displaced, and that the country's economy can't produce employment for them. To Calderón and employers on both sides of the U.S.-Mexico border, migration is therefore a labor-supply system. Immigration policy determines the rules under which that labor is put to use.

President George W. Bush says the purpose of U.S. immigration policy should be to "connect willing employers and willing employees."[7] He is simply restating what has been true throughout U.S. history. U.S. immigration policy doesn't stop people from coming into the country, nor is it intended to. Its main function is to determine the status of people once they're here. And an immigration policy based on providing a labor supply produces two effects: Displacement becomes an unspoken tool for producing workers, while inequality becomes official policy.

Some 24 million immigrants live in the United States either as citizens or with documents, and 12 million without them. If these migrants actually did go home, whole industries would collapse. And employers benefit from large numbers of undocumented people, since illegality creates an inexpensive system. So-called illegal workers produce wealth but receive a smaller share than other workers in return—a source of profit for those who employ them. No one claims that these excess profits are "illegal" and should be returned to those who produced them. Instead, the producers themselves are called "illegal."

Companies depend not just on the workers in the fac-

tories and fields, but also on the communities from which they come. If those communities stop sending workers, the labor supply dries up. Work stops. Yet no company pays for a single school or clinic, or even any taxes, in those communities. In the tiny Mexican towns that now provide workers, free-market and free-trade policies exert pressure to cut the government budget for social services. The cost of these services is now borne by workers themselves, in the form of remittance payments sent back from jobs in Nebraska slaughterhouses, California fields, or New York office buildings.

Former Mexican president Vicente Fox boasted that in 2005 his country's citizens working in the United States sent back $18 billion. The World Bank estimates that in 2006 that figure reached $25 billion.[8] At the same time, the public funds that historically paid for schools and public works increasingly leaves Mexico in debt payments to foreign banks. Remittances, as large as they are, cannot make up for this outflow. According to a report to the Inter-American Development Bank, remittances accounted for an average of 1.19% of the gross domestic product between 1996 and 2000, and 2.14% between 2001 and 2006. Debt payments, however, accounted for a good deal more. By partially meeting unmet and unfunded social needs, remittances are indirectly subsidizing the banks.[9]

At the same time, companies dependent on this immigrant stream gain greater flexibility in adjusting for the highs and lows of market demand. The global production system has grown very flexible in accommodating economic booms and busts. Its employment system is based on the use of contractors, which is replacing the system in which workers were directly employed by the businesses using their labor. Displaced migrant workers are the backbone of this contingent labor system. Its guiding principle is that immigration policy and enforcement should direct immigrants to industries when their labor is needed, and remove them when it's not.

Guest-worker and employment-based visa programs were created to accommodate these labor needs. When demand is high, employers recruit workers. When demand falls, those workers not only have to leave their jobs, but the country entirely. Today, employers and the Department of Homeland Security call for relaxing the requirements on guest-worker visas. Although there are minimum wage and housing requirements, the Southern Poverty Law Center report, "Close to Slavery," documents the fact that the requirements are generally ignored. "These workers don't have labor rights or benefits," Domínguez of the FIOB charges. "It's like slavery. If workers don't get paid or they're cheated, they can't do anything."

New guest-worker programs are the heart of the corporate program for U.S. immigration reform, and are combined with proposals for increased enforcement and a pro-employer program for legalization of the undocumented. Proposals based on this three-part compromise are called "comprehensive immigration reform."

"The governments of both Mexico and the U.S. are dependent on the cheap labor of Mexicans. They don't say so openly, but they are," Domínguez concludes. "What would improve our situation is real legal status for the people already here and greater availability of visas based on family reunification. Legalization and more visas would resolve a lot of problems—not all, but it would be a big step," he says. "Walls won't stop migration, but decent wages and investing money in creating jobs in our countries of origin would decrease the pressure forcing us to leave home. Penalizing us by making it illegal for us to work won't stop migration, since it doesn't deal with why people come."

Changing corporate trade policy and stopping neoliberal reforms is as central to immigration reform as gaining legal status for undocumented immigrants. It makes no sense to promote more free-trade agreements and then condemn the migration of the people they displace. Instead, Congress must end the use of the free-trade system as a mechanism for producing displaced workers. That also means delinking immigration status and employment. If employers are allowed to recruit contract labor abroad, and those workers can only stay if they are continuously employed, they will never have enforceable rights.

The root problem with migration in the global economy is that it's forced migration. A coalition for reform should fight for the right of people to choose when and how to migrate, including the *derecho de no migrar*—the right *not* to migrate, given viable alternatives.

At the same time, migrants should have basic rights, regardless of immigration status. "Otherwise," Domínguez says, "wages will be depressed in a race to the bottom, since if one employer has an advantage, others will seek the same thing." To raise the low price of immigrant labor, immigrant workers have to be able to organize. Permanent legal status makes it easier and less risky to organize. Guest-worker programs, employer sanctions, enforcement, and raids make organizing much more difficult.

Corporations and those who benefit from current priorities might not support a more pro-migrant alternative, but millions of people would. Whether they live in Mexico or the United States, working people need the same things—secure jobs at a living wage, rights in their workplaces and communities, and the freedom to travel and seek a future for their families.